



# NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

**FOR IMMEDIATE RELEASE**

August 29, 2001

## **CALIFORNIA'S SCHOLARSHARE HITS \$200 MILLION IN INVESTMENTS**

SACRAMENTO -- Assets at California's Golden State ScholarShare College Savings Trust surpassed the \$200 million (\$200,000,000) mark this week.

One of the nation's leading college savings plans, ScholarShare enters its third year of operation this October with more than 45,000 accountholders. Program participants received a big boost with a recent change in federal tax law that will enable them to withdraw funds to pay for college expenses without paying federal taxes on investment earnings, starting January 1, 2002. State taxes are deferred on ScholarShare funds until withdrawal, when they are taxed at the college-bound child's rate — typically much lower than the accountholder's rate.

California State Treasurer Philip Angelides, who oversees the ScholarShare program, commented, "Hitting the \$200 million mark in under two years is a significant achievement for the ScholarShare program. The rapid growth in accounts and deposits shows that more and more California families are realizing that the tax advantages of the ScholarShare savings plan will help them afford the dream of a college education for their children."

ScholarShare funds can be applied toward costs at eligible colleges, universities and post-secondary institutions in the United States, including vocational and technical schools and some international institutions. As little as \$25 opens an account, which can then grow through automatic payroll deductions that begin at \$15 a pay period. Additionally, there are no income restrictions on who can open a ScholarShare account.

ScholarShare participants can choose from four investment options. The most popular is an Age-Based Asset Allocation Option, which is heavily weighted toward equities for younger children and moves into bonds and money market instruments as the student nears college age. There is also a 100% Equity Option comprised of domestic and international stock funds, a 100% Social Choice Equity Option featuring investments in socially responsible companies, and a Guaranteed Option which guarantees principle and a minimum rate of interest. Except for the Guaranteed Option, returns will fluctuate and are not guaranteed. ScholarShare funds are managed by TIAA-CREF, a leading financial services organization with \$279 billion in assets currently under management.

**For more information:** [www.scholarshare.com](http://www.scholarshare.com)

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